



**MagnoLab**  
TEXTILE INNOVATION DISTRICT

## **CODE OF ETHICS**

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## Premise.

**MagnoLab is the network of textile industry enterprises that comes together to develop tangible solutions for the sector, create value, and collaborate on current and future needs.**

A team of leading figures from the Italian textile world  
combining their respective know-how  
to develop structured innovation.

MagnoLab was founded in 2022 within a context of collaborative innovation. It stands as a network of textile companies with different yet complementary roles in the supply chain. Its primary mission is to collaborate systematically in developing innovation, research, and projects centered around sustainability and the circular economy, employing lean experimentation cycles.

The founding companies include DBT, Di.Vé, Filidea, Maglificio Maggia, Marchi & Fildi, and Tintoria Finissaggio 2000. Later, De Martini and Pinter Group joined the network.

MagnoLab's distinctive aspect is the **industrial plant with prototypical scope** integrated into the production chain, established within the Cerrione (BI) facility. This plant enables prototyping activities by leveraging knowledge exchange among technicians from complementary companies in the supply chain. It operates on real and dedicated machinery, accelerating the scalability of developed solutions into production.

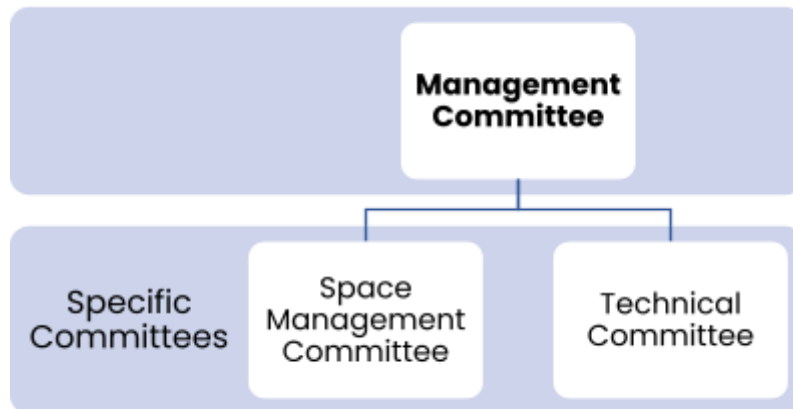
One of the most distinctive and innovative aspects of MagnoLab is its intention to establish connections and collaborations with educational institutions in the textile and fashion domains, both domestic and international. Through its role as a bridge between education and industry, it fosters interaction and the realization of concrete projects.

The Business Network focuses on collaborative activities and innovation primarily in the following fields:

- a. circular economy in the textile sector;
- b. sustainability of products and processes;
- c. innovative materials and functionalization;
- d. new and additional projects of interest to the participants.

## 01 – The structure of the Business Network.

The Business Network is governed by a Management Committee, and additional committees have been established to address various needs.



Admittance to the network is decided by the Management Committee and can be of various types:

- **On-site Partner:** Ensures a constant physical presence of personnel and equipment within the network premises. Actively participates in network projects and activities.
- **Associate:** Not required to ensure a fixed presence at the network premises but actively participates in network projects and activities.
- **Sponsor:** Believes in the project, financially supports it through monetary contributions or equipment, and participates in specific activities or projects.

## 02 – Recipients.

The recipients of MagnoLab's Code of Ethics (hereinafter also referred to as 'Organization' or 'Business Network') include all stakeholders who, directly or indirectly, establish relationships or dealings, whether on a stable or temporary basis, with the Business Network:

- members of Partner, Associate, or Sponsor companies;
- management Committee members;
- employees;
- suppliers;
- customers;
- collaborators;
- external Consultants;
- business Partners;
- other entities as stakeholders involved in the Organization's activities.

This primarily aims to disseminate the fundamental values of the operation among all stakeholders. It's essential that anyone making decisions or acting on behalf of the Business Network bears in mind that the rights, duties, and interests in question concern not only their own entity but also those of the stakeholders surrounding them.

## **03 – Principles of conduct for MagnoLab.**

### **Legality.**

The organization considers compliance with the laws and regulations in force in all countries where it operates as a fundamental principle.

This commitment extends to all those who have relationships with the organization, including partners, consultants, suppliers, and clients. No relationships will be initiated or continued with those who do not intend to comply with this principle.

It is categorically established that seeking the interests of the organization can never justify actions contrary to current regulations, the Code of Ethics, or the internal rules of the Business Network.

### **Respect for Human Rights.**

MagnoLab operates with a strong commitment to upholding human dignity and fundamental rights, and we expect the same commitment from all our partners. The organization strives to create an inclusive work environment that celebrates uniqueness and diversity as essential resources for humanity's progress.

In decisions affecting our internal and external relationships, the Business Network commits to eliminating any form of discrimination based on age, gender, sexual preferences, health status, ethnicity, nationality, political opinions, or religious beliefs.

MagnoLab supports and respects human rights, adhering to the principles of the International Labour Organization (ILO) and the Charter of Fundamental Rights of the European Union. Furthermore, it vehemently rejects any form of child labor exploitation.

### **Workers' Integrity.**

At MagnoLab, the physical and cultural integrity of every individual is considered a fundamental ethical pillar. Working conditions that respect individual dignity, along with healthy and safe environments, are ensured by the organization. Activities are conducted with technical, organizational, and economic conditions that allow for adequate accident prevention and ensure a safe working environment in full compliance with current regulations, through the adoption of necessary definitive, precautionary, and preventive measures.

The Business Network actively commits to safeguarding the safety and health of workers, partners, and collaborators. This commitment includes activities for preventing occupational hazards, providing information and training, as well as allocating resources and implementing appropriate organizational measures. In details, we undertake to:

- a. Eliminate or minimize risks based on knowledge acquired through technological progress.
- b. Carefully assess all risks that cannot be eliminated.
- c. Reduce risks at their source.
- d. Respect ergonomic and health principles in workplaces, in designing work activities, in choosing equipment, and in work methods to minimize health effects from monotonous or repetitive tasks.
- e. Substitute hazardous elements with less risky alternatives.
- f. Plan measures to continually improve safety levels over time, including adopting codes of conduct and best practices.
- g. Prioritize collective protection measures over individual ones.
- h. Provide adequate instructions to workers.

MagnoLab insists that spaces used by each partner adhere to the same principles for Health and Safety protection.

### **Environmental Preservation.**

Among MagnoLab's core activities lie circularity and sustainability. The Business Network thus promotes sustainable practices and technologies throughout the entire production chain that encourage waste reduction, material reuse, and recycling in production processes.

The organization complies with environmental legislation and actively commits to adopting preventive measures to avoid or minimize its impact on the environment.

- Measures are adopted to reduce and, if possible, eliminate the negative impact of economic activities on the environment. This is not only when there is a demonstrated risk of harmful or dangerous events (precautionary action principle) but also in situations where it's uncertain whether and to what extent the activity might expose the environment to risks (precautionary principle).
- Priority is given to implementing preventive measures to avoid environmental damage rather than intervening only after the damage has already occurred.

## **Enhancement of Human Resources.**

MagnoLab acknowledges the central role of human resources as a key element for the success of every initiative, fostering an environment based on loyalty and mutual trust among all collaborators.

Collaborative relationships within the organization are managed in compliance with the current collective contractual regulations and social security, tax, and insurance laws. Each employee, upon the establishment of the employment relationship, is invited to sign, along with the contract, a commitment to uphold the principles defined in the Code of Ethics.

The organization places significant value on the skills of its own human resources and partner companies at all levels, considering them fundamental to ensuring operational excellence. A culture that promotes the dissemination of knowledge, valuing individual contributions and positive behaviors, is encouraged. We firmly believe in sharing, exchanging ideas, and engaging in discussions as fundamental elements to create a team synergy that fuels excellent results.

## **Respect and Management of Privacy and Communications.**

The organization, in handling data concerning its stakeholders, complies with all applicable regulations and adheres to the provisions contained in Legislative Decree 196/2003 and the EU Regulation 679/2016 GDPR.

MagnoLab also ensures the confidentiality of the information in its possession, defining and updating procedures regarding the processing of personal data in accordance with current regulations.



## **Administrative Management.**

Every operation and transaction is accurately recorded, authorized, and verifiable, following criteria of legitimacy, coherence, and adequacy.

The financial situations and balance sheets faithfully represent the management activities (economic, equity, and financial) by adopting criteria of transparency, precision, and completeness.

To ensure this objective, appropriate and comprehensive supporting documentation is retained, allowing for:

- Accurate recording of each operation.
- Immediate identification of the characteristics and reasons behind each operation.
- Easy chronological reconstruction of operations.
- Verification of decision-making, authorization, and execution processes, as well as the identification of different levels of responsibility and control.

Each accounting entry accurately reflects the documentation provided by the supporting material. It is the responsibility of every employee or designated collaborator to ensure the availability and logical organization of the supporting documentation in accordance with internal provisions and procedures.

## **Gifts and Hospitality.**

Recipients are prohibited from receiving and offering money, gifts, or any other benefits, except for small-value items representing commercial courtesies. It is strictly forbidden to act contrary to this principle, and such actions will be rigorously penalized, regardless of whether they are attempted or executed directly or through intermediaries. These actions must not aim to secure personal benefits, on behalf of third parties, or for the organization.

## 04 – Code of Conduct for Participating Companies.

The Participating Companies must adhere to the principles stated in this document, specifically:

- a. **Sustainability and Circularity**: Participating companies must share and adopt the sustainability and circularity principles defined in this code, committing to reduce environmental impact and promote responsible production practices throughout the entire supply chain.
- b. **Transparency and Accountability**: Participating companies must be transparent about their activities and production processes, providing clear and accurate information regarding the sustainability and environmental impacts of their operations.
- c. **Legal and Ethical Compliance**: Participating companies must operate in compliance with all relevant laws, regulations, and ethical standards, respecting human rights, ensuring decent working conditions, and avoiding any form of discrimination or exploitation.
- d. **Collaboration and Commitment**: Participating companies are encouraged to actively collaborate with other businesses within the network to share knowledge, experiences, and resources to enhance sustainable practices and promote innovation.
- e. **Assessment and Continuous Improvement**: Participating companies must commit to regularly monitoring their sustainability performance and take measures for continuous improvement, actively engaging in training programs and sustainable development.
- f. **Social Responsibility and Community Engagement**: Participating companies are encouraged to actively engage with the local communities in which they operate, participating in social initiatives and contributing to the improvement of the well-being of surrounding communities.
- g. **Compliance and Monitoring**: MagnoLab reserves the right to periodically monitor and assess the performance of participating companies regarding adherence to the defined ethical and sustainability principles, reserving the right to terminate collaboration in the event of serious violations of these principles.

## **05 – Code of Conduct for Employees and Collaborators.**

### **Ethical Behavior.**

Every employee and collaborator is required to avoid behaviors that contradict the ethics outlined in this Code.

Commitments of the Employee and Collaborator:

- a. Promptly report to superiors and oversight bodies any situation, even potential, that may conflict with statutory provisions and the Code of Ethics.
- b. Maintain relationships with business partners, suppliers, collaborators, and other employees based on transparency, meritocracy, and compliance with current laws and regulations.
- c. Uphold behaviors of autonomy, correctness, and transparency towards institutions, public administration, political forces, and national and international entities. Avoid any activity conflicting with the Network's interests and strive to preserve the system's image by refraining from seeking personal advantages.

Within the hierarchical context, authority must be exercised fairly and correctly, avoiding abuse. Any form of harassment is neither tolerated nor permissible, and it is required to avoid behaviors or speech that may offend individual sensitivities.

### **Honesty, Impartiality, and Adherence to Rules.**

At all levels, the Recipients are obliged to establish relationships with stakeholders based on principles of fairness, collaboration, loyalty, and mutual respect.

In fulfilling their duties, MagnoLab's employees and collaborators prioritize adherence to the law over any other interest. Their decisions and actions are guided by the responsibility of their roles.

Under no circumstances can the interests of the organization be a reason to violate current laws or the rules established by this Code.

While performing their duties, it is strictly prohibited to engage in discriminatory behavior based on age, gender, sexual orientation, health status, ethnicity, nationality, political or union affiliations, or religious beliefs.

### **Use of Business Network Assets.**

The use of the organization's assets must be limited to the execution of the functions assigned to each collaborator, except in cases of shared use, always in compliance with principles of legality and ethics.

Personnel and collaborators are required to use company assets responsibly, following established procedures for their use, and if required, documenting the usage of said assets.

### **Information Management.**

Employees and collaborators, in the course of their duties, have access to both confidential and non-confidential information and are required to use such data solely for purposes permitted by laws and internal rules. It is prohibited to use this information for personal purposes or on behalf of others.

Access by third parties to data managed for work-related reasons is only allowed in cases authorized by law and internal protocols, and solely among colleagues for service-related reasons in accordance with office guidelines.

The duty of confidentiality must be respected even after the termination of the employment relationship. These prohibitions also extend to family members, cohabitants, collaborators, and anyone who, due to a confidential relationship with the information holder, gains access to it.

### **Conflict of Interest.**

Every employee and collaborator is responsible for avoiding situations that may generate conflicts of interest and refraining from deriving personal or third-party benefits from activities carried out during the performance of their duties.

Should even the appearance of a conflict of interest arise, the involved individual is required to report it to their respective supervisor.

As examples, but not limited to, a conflict of interest may arise in situations such as:

Involvement in personal economic and financial interests, or those of spouses, relatives, and/or in-laws up to the second degree, with suppliers or competitors of the Company.

Engagement in work activities of any kind with suppliers, partners, or competing entities of the Company.

Acceptance of money or favors from individuals or companies that have or intend to establish business relationships with the Company.

## **06 – Code of Conduct in Relations with Stakeholders.**

### **Relationships with Network Participants.**

The organization commits to providing adequate information to Partners, Associates, and Sponsors regarding strategic decisions and management progress.

In its dealings with participants, the organization ensures transparency and accuracy in assuming representative tasks, ensuring faithful and diligent fulfillment of these responsibilities.

In line with the adopted ethical principles, MagnoLab may introduce specific social, environmental, and/or corporate governance clauses as requirements for joining the Network.

The organization reserves the right to conduct checks, including documentation, at the production units or operational sites of the adhering company to verify compliance with these requirements. More specific requirements will be included in individual membership contracts.

### **Relationships with Employees.**

The assessment of candidates for employment considers the compatibility of their profiles with the needs of the business network, ensuring equal opportunities for all interested candidates. Appropriate measures are adopted, within the limits of available information, to prevent favoritism, nepotism, or forms of patronage during the selection and hiring processes.

Personnel are hired in compliance with current legislation and contractual provisions, avoiding any form of irregular work. The organization is committed to safeguarding the moral integrity of its employees and ensuring a work environment that respects the dignity of each individual. As a result, acts of psychological violence and any behavior or attitude that is harassing or harmful to the person, their beliefs, and preferences are prohibited. Additionally, any form of inquiry into employees' ideas, preferences, personal tastes, and private life is strictly prohibited.

### **Relationship with Suppliers.**

The procurement processes are aimed at ensuring maximum benefit for the organization, providing equal opportunities to suppliers and promoting loyalty and impartiality. Supplier selection and the definition of purchasing conditions are based on an objective evaluation of product or service quality, price, as well as service and timeliness guarantees, in accordance with any previously defined preferred evaluation criteria.

The organization reserves the right to request documentation from suppliers regarding the following requirements:

- Well-documented availability of resources, including financial support, structural organization, design skills, know-how, etc.
- Effective implementation of quality management systems if required by the organization's specifications.
- Mandatory certifications according to current regulations.
- Any additional certifications or demonstrations necessary for managing the relationship, if requested.

The organization constantly monitors relationships with suppliers, including financial and consulting contracts. All documents exchanged with suppliers must be carefully archived, especially those of an accounting and/or fiscal nature, which must be kept for the periods required by current regulations.

In line with conforming procurement activities to the adopted ethical principles, the organization may introduce social requirements for specific supplies, if deemed necessary. To this end, contracts with suppliers may include contractual clauses stipulating:

- Self-certification by the supplier regarding adherence to specific social obligations, such as adopting measures ensuring workers' respect for fundamental rights, principles of equal treatment and non-discrimination, and the protection of child labor.
- The organization's ability to conduct inspections at the supplier's production units or operational sites to verify compliance with these requirements.

### **Relationship with Customers.**

The organization is committed to treating its customers in a non-discriminatory manner, respecting corporate decisions. Contracts and communications sent to customers must:

- Be clear and understandable.

- Comply with current legislation, avoiding deceptive or unfair practices.
- Be comprehensive, including all relevant elements for the customer's decision-making.

The conduct of the organization's staff towards customers should reflect availability, respect, and courtesy, promoting a collaborative relationship and maintaining a high standard of professionalism at all levels.

### **Relationship with Public Administration.**

Offering money or gifts to executives, officials, or employees of the Public Administration, as well as to their relatives, whether Italian or from other countries, is not allowed, except in the case of gifts of modest value or practical utility.

It is prohibited to offer or accept any object, service, or advantage to obtain preferential treatment in relations with the Public Administration.

Personnel involved in negotiations, requests, or relationships with the Public Administration must not improperly influence the decisions of public officials or executives.

If the Organization relies on consultants or third parties to represent it before the Public Administration, they must adhere to the same rules that apply to the Organization's employees.

Furthermore, the Organization should not be represented by consultants or third parties in dealings with the Public Administration if this could generate conflicts of interest.

During negotiations or commercial relationships with the Public Administration, actions such as the following should not be taken:

- Proposing job or commercial opportunities to benefit public employees on a personal basis.
- Offering gifts, even in the form of company promotions restricted only to employees or through the payment of travel expenses.
- Requesting or obtaining confidential information that could compromise the integrity or reputation of both parties.

Any violation, whether actual or potential, committed by employees of the Organization or by third parties, must be promptly reported to the competent internal authorities..

### **Relationships with Political and Union Organizations.**

MagnoLab does not provide any form of contributions to political, movement, committee, or political and union organizations, their representatives, or candidates.

The entity refrains from taking actions that may constitute, directly or indirectly, forms of undue pressure on political or union representatives or on political or union organizations.

The entity regulates industrial relations through protocols and deals transparently and in good faith with Trade Unions, where provided for by National Collective Agreements.

### **Contributions and Sponsorships.**

The Business Network may adhere to requests for contributions limitedly to proposals coming from entities and associations with regular statutes and constitutive acts, allocating any sponsorship activities solely to events or organizations that ensure quality assurance and where any possible conflict of interest of a personal or corporate nature can be excluded.



## **07 – Implementation and Control Methods.**

This Code of Ethics is adopted by the Management Committee to guide behaviors following its approval by all relevant parties. To ensure its full understanding and compliance, it is made accessible to all involved parties. It's crucial that all individuals can easily access it, understand its contents, and abide by its guidelines.

Any significant modification or revision of the Code of Ethics will be communicated to all relevant parties through the same channels used for its initial distribution. This communication process ensures that everyone is informed about any updates or substantial changes made to the Code.

Our commitment to transparency and open communication regarding the Code of Ethics is vital to maintain an effective and cohesive adherence to its underlying principles. The aim is to create an environment where a shared understanding of values and behavioral expectations can be fostered, thus promoting a corporate culture rooted in sustainability and ethics.

The Management Committee, as the apex body, is responsible for implementing mechanisms for monitoring and sharing the code.

### **Sanctioning System.**

Compliance with the rules of the Code of Ethics is considered an essential part of the contractual obligations assumed.

Violation of the principles and content of the Code of Ethics constitutes a breach of primary obligations in the collaboration relationship or a disciplinary offense, with all legal consequences, and may entail compensation for any damages resulting from the violation. For all other recipients of the Code of Ethics, in the event of a violation of its principles and content, the contractual remedies provided by the applicable law will be activated.

Each person acting on behalf of the Organization is required to report any breaches of the Code of Ethics to the Management Committee.

The Management Committee reserves the right to exclude Partners, Associates, or Sponsors from the Business Network if the top-level individuals of the Companies are formally involved in violations of the conduct principles expressed in the Code.

Disciplinary measures issued towards employees comply with the most updated edition of the National Collective Labor Agreement for the Textile, Clothing, and Fashion Industry.

In accordance with Article 73 of the applicable National Collective Labor Agreement, the possible sanctions are as follows:

- **Verbal Reprimand**: when the worker's diligence shows shortcomings not attributable to a deliberate intention to neglect their duties.
- **Written Reprimand**: when the shortcomings, even if minor, are likely to be repeated, and therefore, it is necessary to warn of more severe sanctions.
- **Fine**: up to an amount equivalent to two hours of the national remuneration element.
- **Suspension**: for a maximum of three working days.
- **Termination**: the rules for termination are listed in Article 75 of the National Collective Labor Agreement for the Textile, Clothing, and Fashion Industry.